50X1-HUM

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SUBJECT The Investment Plans for the Stahlwerk und Walzwerk Hennigsdorf, Brandenburg, for 1951, and for Eisenhüttenkombinat Ost for 1950-1955

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The investment plans for the Stahlwerk and Walzwerk Hennigsdorf, Brandenburg for 1951 and for the Eisenhütten-Kombinat Ost for 1950-1955 are given below. 50X1-HUM

1. It was planned to construct ten furnaces of 100 - 120 tons capacity each, in 1950/1951. However, Dr. Kramer objected to the erection of cupola furnaces for smelting the open hearth pig iron and set a quota of an output of 415,000 tons of crude steel for 1951. This quota will not be achieved because:

   a. Furnace Number 6 cannot go into operation until the end of February 1951. 50X1-HUM
   b. The delayed delivery of charging, and, particularly, of pouring cranes will permit only two of the five furnaces, which will be in operation by the end of December, to be fully charged (150 - 160 tons); 50X1-HUM the remaining three will be charged with only 85 tons each.

2. Therefore the expected output of crude steel in 1951 is 385,000 tons.

3. It was originally planned to install one cogging mill and one rolling mill for semi-finished products in the rolling-mill plant. At the end of August 1950 was requested to provide one 1050-er 50X1-HUM cogging mill and one continuous mill for semi-finished products for billets and sheet billets. The latter was to consist of six horizontal and three vertical stages. The first payment for this mill was due on 15 September 1950, but it could not be paid. It is therefore doubtful if the target dates for starting the operation of these mills (1 November 1951, 50X1-HUM and 1 December 1951 respectively) can be achieved, and it is possible that deliveries may be delayed for other reasons.

4. Several months ago, the technical directorate of VEB, Brandenburg, considered erecting a 850-er two high mill for rolling girders, U-sections, heavy angles, heavy round iron and angle pipe for ship construction. With such a mill, the sections would have covered girders, type NP 20 to NP 40, and, in the case of other sections, would have had corresponding thicknesses. This plan was based on the opinion that there was a very great shortage of section iron and other

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heavy sections in the DDR. Bids were solicited [redacted] 50X1-HUM
[redacted] for a 850-er two-high mill. [redacted]
The existing shortage [redacted] caused the Hauptabteilung Metallurgie to 50X1-HUM
request the plans for and the construction of, a heavy section mill in the DDR. On this problem the full support of SAG Krupp-Gruson, Magdeburg will be necessary. The idea of purchasing an 850-er two-high mill had to be abandoned because it required an "ILGNER-Aggregat", which could not be obtained in the DDR. It was, therefore, agreed to limit the 1951 capital construction program, as far as the section-iron mill was concerned, to a 750-er or 800-er three-high mill. Kramer stated that there was a possibility of constructing, in the DDR, a rectifier plant for the conversion of alternating current to direct current so that the speed of the three-high mill could be regulated. In order to avoid the use of large power units, which are not available in the DDR, it was agreed that the first stage would be driven by a 3,000 kw motor and the second and third stages by a 2,000 kw motor.

5. It is unlikely that the payments for the cogging mill and the semi-finished-products mill can be made [redacted] It was agreed to dispense 50X1-HUM
with the payments for the latter and to use the funds allocated for this purpose for the cogging mill, in order, as far as possible, to insure the delivery of this very important mill which is designed to roll five-ton ingots for sheet billets, billets and sections and 8 to 9 ton heavy ingots for heavy, pre-rolled slab-blooms.

6. Until the cogging mill starts operating, the section-iron mill will be fed directly with two-ton crude slabs.

7. Therefore, the 1951 capital construction program has been submitted as of 6 November to provide for the erection of six Siemens-Martin furnaces, the cogging mill and a three-stage 800-er three-high mill, the first stage serving as a slab-stage.

8. The reduction of the capital investment funds from the planned 60 million DM(Ost) to 46.5 million, has led to a severe curtailment of the former 1951 plans. Electrical equipment, cranes, buildings, machines and tools have been limited to the absolute minimum. Any further reduction in the investment appropriation might jeopardize either the procurement of the cogging mill or the production of the three-high mill. [redacted] If the costs of production in the DDR are 50X1-HUM
higher than the figures [redacted] quoted [redacted] there is a risk 50X1-HUM
that these funds will be insufficient for the production of the mills.

9. The chill-mould-foundry capacity will be limited to half the 24,000 tons originally planned for 1951, and, on the basis of the 2.5 million DM allocated for this project, the mechanization of the plant had to be cancelled.

Eisenhüttenkombinat Ost, Fuerstenberg/Oder

10. The planned capital expenditure on Eisenhütten-Kombinat Ost over the period 1950-1955 is as follows:

			DM(Ost) Total per year
1950	Construction of subordinate plants and buildings		5,000,000
1951	Subordinate plant and buildings:	29,400,000	
	Chill-mould foundry:	10,000,000	
	Blast furnaces:	13,600,000	53,000,000
1952	Subordinate plate and buildings:	80,000,000	
	Rolling-mill plant:	38,000,000	
	Steel works:	70,000,000	
	Blast furnaces:	13,600,000	201,600,000

			DM(Ost) Total per year
1953	Subordinate plant and buildings:	80,000,000	
	Steel foundry:	30,000,000	
	Rolling-mill plant:	22,000,000	
	Steel works:	20,000,000	
	Blast furnaces:	13,600,000	165,600,000
1954	Subordinate plant and buildings:	90,000,000	
	Pressing and forging shop:	40,000,000	
	Rolling-mill plant:	13,000,000	
	Blast furnaces:	13,600,000	156,600,000
1955	Subordinate plant and buildings:	45,000,000	
	Pressing and forging shop:	40,000,000	
	Rolling-mill plant:	18,000,000	103,000,000
		Total	684,800,000